

Approved For Release 2004/05/05 : CIA-RDP69B00369R000100240011-7

# A HUGE BUSINESS: ARMAMENT SALES

**U.S. Is Principal Source of  
Weapons for Other Lands  
—46-Billion in 17 Years**

*This is the first of a series of  
articles on international deal-  
ings in arms.*

By NEIL SHEEHAN  
Special to The New York Times

WASHINGTON, July 18 —  
The five belligerents in the  
Middle Eastern war — Israel,  
the United Arab Republic,  
Syria, Jordan and Iraq — al-  
together had about 3,300 tanks,  
more than Hitler employed in  
the invasion of France in 1940.

Nazi Germany manufactured  
its own tanks. The Middle East-  
ern combatants did not. They  
obtained theirs from the So-  
viet Union, Britain, France and  
the United States. Their war-  
planes, artillery, trucks, signal  
equipment and the great bulk  
of their small arms and ammu-  
nition were supplied by the  
same sources.

With these foreign arms, 679  
of Egyptians, Jordanians, Syri-  
ans and Iraqis were killed. In  
Sinai, Israel's French-built Mi-  
rage and Mystere jets destroyed  
the Egyptians' Soviet MIG-21  
fighters and Ilyushin bombers.  
On the Jordanian front, both  
Israelis and Jordanians drove  
into battle in American-made  
Patton and Sherman tanks.

The Middle East is only one  
of several troubled underde-  
veloped regions where war

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have been fought, or may be  
fought, with foreign weaponry.  
The United States, which shared  
third place with Britain and  
followed the Soviet Union and  
France as a supplier to Israel  
and the Arab countries, has  
been the principal source of  
arms for the whole world.

In late April, two portly men  
in the international arms sales  
business, one a millionaire and  
the other a \$25,000-a-year De-  
fense Department official, were  
sitting in a sparsely furnished  
office on the fourth floor of the  
Pentagon when the telephone  
rang.

Henry J. Kuss Jr., the civil  
servant, picked up the tele-  
phone. In a few minutes he had  
arranged the final details of a  
\$40-million weapons sale. His  
listening visitor was Samuel  
Cummings, the founder, owner  
and president of the Interna-  
tional Armaments Corporation  
and the world's leading private  
seller of arms.

"We don't get many deals  
like that," Mr. Cummings said  
later.

From mid-1949 through June,  
1966, the United States sold  
\$16.1-billion in weaponry and  
gave away \$30.2-billion more  
in arms and military equipment.  
The \$46.3-billion total, which  
does not include private sales  
arranged outside of Mr. Kuss's  
office, is about \$4-billion more  
than all the grants and loans  
under the regular economic as-  
sistance program since the mid-  
dle of 1948, including the Mar-  
shall Plan.

## Exceeds Army Stocks

The export of rifles, carbines  
and submachine guns alone is  
more than enough to provide  
a gun for each of the 3.3-  
million men on active duty in  
the United States Army, Navy,  
Air Force and Marine Corps.  
The 19,827 tanks exported are  
substantially more than the  
Army has in its active and re-  
serve inventories.

Under the guidance of Mr.  
Kuss, the export pattern has  
also been radically altered over  
the last six years. Where grant  
aid accounted for most exports  
in the nineteen-fifties, sales  
now outnumber grants by more  
than 200 per cent.

Between mid-1961 and June,  
1966, Mr. Kuss and his assist-  
ants have sold \$11.1-billion in  
weaponry, 89 per cent to North  
Atlantic Treaty Organization  
allies and to Australia and  
Japan. Sales fell to \$1.5-billion  
in the fiscal year closed June  
30, 1967, but Mr. Kuss intends  
to recoup and to maintain a  
volume of about \$2-billion a  
year until 1975.

The sales plus grant aid have  
made the United States Gov-  
ernment the world's leading  
supplier of arms—nearly \$3-  
billion a year.

Since World War II, the mar-  
riage of Government and the  
armaments industry into the so-  
called military-industrial com-  
plex has transformed the inter-  
national arms trade. The pri-  
vate arms salesman is a midget  
compared with the Government  
salesman. Mr. Cummings's an-  
nual sales are, he says, well be-  
low \$100-million, an obviously  
substantial amount but a pit-  
ance beside the Government  
business.

The Government defends its  
sales as a means of arming al-  
lies against the Communist  
military threat, promoting over-  
seas political interests and eas-  
ing the gold drain.

As the cold war atmosphere  
has dissipated, the Govern-  
ment's salesmanship has come  
under attack.

The Arab-Israeli war has  
been seized by upon by critics  
as evidence that the United  
States, with the Soviet Union  
and the other arms-exporting  
nations, has promoted arms  
races in the Middle East, Asia  
and Africa, fostering regional  
instability and encouraging lo-  
cal wars.

## Foreign Exchange Diverted

The flow of arms, these crit-  
ics assert, also impedes social  
and economic progress by di-  
verting precious foreign ex-  
change from development  
projects.

"If nothing else," said Sen-  
ator Eugene J. McCarthy, Dem-  
ocrat of Minnesota and a per-  
sistent critic of arms shipments,  
"the Arab-Israeli war should  
convince us to re-examine our  
entire arms sales and military  
assistance programs."

What motivates these arms  
sales? For Mr. Cummings the  
answer is simple—profit. He has  
no illusions about the effects of  
a trade that has netted him  
millions over the last 14 years  
in second-hand arms deals.

"You get rather cynical in  
this business," he said.

From his headquarters in  
Monaco, Mr. Cummings sells  
about a quarter of a million  
small arms and small cannons  
—everything from pistols to  
20-mm. guns—each year to  
sportsmen, collectors and non-  
Communist foreign police  
forces and armies.

One enterprising safe-cracker  
used a 20-mm. antitank cannon  
he bought from International  
Armaments to blast open a  
Brinks Company vault in Syra-  
cuse in October, 1965.

Mr. Cummings's company,  
with 17 affiliates and subsidi-  
aries, also acts as a broker for  
the sale of tanks, jet fighter-bombers,  
from one country to another.

Mr. Cummings explained  
that he did not manufacture  
arms. He simply takes advan-  
tage of the world's arms races  
to buy and sell the surpluses  
that result when a new genera-  
tion of weapons replaces older  
models. His sales are approved  
in advance by the British or  
United States Governments.

Defense Department statis-

tics on the flow of Government  
arms from the United States  
over the last 18 years give sub-  
stance to his explanation.  
Among these exports are 16,630  
aircraft, including 8,300 jet  
fighter-bombers; 38 destroyers,  
24 submarines, 258 destroyer  
escorts and three aircraft car-  
riers; 19,827 tanks and 3,055  
other armored assault vehicles;  
1.4 million carbines, 2.1 million  
rifles, 28,496 submachine guns,  
71,174 machine guns and 30,668  
mortars, 26,845 artillery pieces  
and recoilless guns of all types,  
and 45,360 missiles, including  
14,251 of the air-to-air heat-  
seeking type in use over North  
Vietnam.

## More Surpluses Due

Mr. Cummings noted that  
some 5,000 tanks and about  
1,000 jet fighter-bombers would  
enter the European surplus  
market by 1970.

He already has customers  
who are eager to acquire these  
items in Asia, the Middle East  
and Latin America. The Gov-  
ernment's sales add to this sur-  
plus constantly and create pres-  
sure on Europeans to recover  
the foreign exchange spent on  
American weaponry by selling  
their second-hand arms else-  
where. For Mr. Kuss, the  
Government salesman, the sales  
motivation is different. He epit-  
omizes the transformation of  
the international arms business  
from a primarily private to a  
predominantly Government  
business since World War II.  
A trained civil servant who has  
spent 23 years in Government  
employ, he finds the impetus  
for his work in the bidding of  
his Government and in his de-  
sire to perform his task well.

## Title Is Complicated

His title is Deputy Assistant  
Secretary of Defense for Inter-  
national Logistics Negotiations  
and he refers to his work as the  
"promotion of mutual security."

Mr. Kuss asserts that the two  
principal objectives are to  
"promote the defensive  
strength of our allies" and to  
ease logistics problems by fos-  
tering common weapons sys-  
tems. It is apparent that, when  
he has his way, such common  
weapons systems are largely  
American-designed.

He concedes that "we also  
have a balance-of-payments  
problem," but relegates this to  
third place as reason for the  
sales.

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But sales earn dollars, easing the gold drain and helping the United States maintain large troop deployments overseas. Without the dollars, the pressure on the Administration from Congress to reduce troop commitments would undoubtedly increase. As Secretary of Defense Robert S. McNamara remarked in Congressional testimony last year, the arms sales are made "for gold, if you will."

#### 20 Companies Profit

Because weapons exports constitute less than 5 per cent of the total American defense business, the profits earned for the 20 major United States armaments companies are often overlooked.

The sale to Britain, concluded last year, of \$2-billion in advanced F-111 multipurpose attack jets, F-4 Phantom fighter-bombers and C-130 Hercules transport aircraft has brought sizable contracts for General Dynamics, McDonnell and Lockheed Aircraft, which manufacture the planes.

In a speech in the spring of last year to the World Affairs Council in Los Angeles, Mr. Kuss said that the more than \$9-billion in sales he had made by then would bring nearly \$1-billion in profits to American industry and about 1.2 million man-years of employment spread through the 50 states and the District of Columbia.

*Tomorrow:  
How the Government  
Promotes Arms Sale*

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